



PEER REVIEW
IN SOCIAL PROTECTION
AND SOCIAL INCLUSION
2009

MEASURING THE IMPACT OF
ACTIVE INCLUSION AND OTHER
POLICIES TO COMBAT POVERTY
AND SOCIAL EXCLUSION

PARIS, 3-4 DECEMBER 2009

SYNTHESIS REPORT



On behalf of the
European Commission
Employment, Social Affairs
and Equal Opportunities



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EXCLUSION

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Summary

The French government is committed to reducing poverty by a third between 2007 and 2012. In May 2009, after extensive consultation, it introduced a set of indicators — *le tableau de bord* or ‘Scoreboard’ — against which to assess progress. The Scoreboard is part of a strategy to build support for tackling poverty by means of active inclusion policies and legally enshrined quantitative targets to ensure that government delivers reform and the desired policy outcomes.

The Scoreboard, which comprises 38 indicators organised within 11 thematic policy objectives, is shaped by French policy perspectives but informed by the European Laeken Indicators. The central ‘anchored in time’ definition (60 per cent of median household income [after adjusting for household size] set constant in real terms) is included in the Laeken Indicators but only as a context measure. Simulation studies suggest that poverty rates were likely to have fallen between 2007 and 2009 with respect to both anchored in time and relative measures of poverty.

Some Member States involved in the Peer Review have incorporated the Laeken indicators as part of their domestic policy debates, others have set quantified poverty reduction targets and yet others have established interdepartmental structures for coordinating and monitoring anti-poverty policies and/or given them a legislative basis. France may be alone in simultaneously attempting all these things.

The French target-based strategy is ambitious. To work, targets need to be realistic, responsive to policy interventions and not readily subject to manipulation. Successful progress adds positive momentum with civil society organisations able to mobilise support, especially if they receive sustained investment in analytic capacity. Listening to people with direct experience of poverty is vital to learning what makes, and what could make, a real difference to their lives.

Because poverty is multifaceted it is necessary to exploit the *simultaneity* of policies— the delivery of multiple services to the same people; their *complementarity* — different combinations of policies to address different

aspects and kinds of poverty; and their *substitutability* — the application of different policies to attain similar goals in different circumstances. This requires powerful and sustained support from the top of government, strong champions and, possibly, also financial incentives. Because anti-poverty policies are often delivered by local government, there needs to be vertical integration with exchange of information and investment in local analytic capacity.

The French Scoreboard emphasises income poverty more than social exclusion, ‘anchored in time’ rather than relative measures, quantitative rather than qualitative indices and lacks direct measures of inequality. Unlike practice in Ireland, the Scoreboard does not include programme targets or many intermediate indicators that might facilitate policy evaluation. The intention is to extend the Scoreboard to sub-national tiers of government creating an integrated geography of poverty and social exclusion. Several innovative methods of generating up to date information have been implemented including simulation, interrogation of administrative data, meetings with service providers and panels of field workers in direct contact with people experiencing poverty.

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Member States should be encouraged to append policy outcome measures to the Laeken indicators to facilitate policy evaluation while systematic analysis of how indicators have been adapted by Member States could identify concerns about the value, measurement, validity and reliability of particular indices. There could be a European role in identifying and promoting innovation in measures that facilitate rapid reporting and/or vertical integration between tiers of government. The French strategy demonstrates the value of national quantified objectives for combating poverty and social exclusion. In a European context, quantifiable targets potentially strengthen the accountability and peer review process inherent in the OMC and could increase the influence of civil society.



Part A: Introduction

In 2007, the French government announced its intention to reduce poverty by a third within five years and subsequently launched, in the much less favourable global economic circumstances of May 2009, a set of indicators — *le tableau de bord* or ‘Scoreboard’ — against which to monitor progress. These developments, including a sustained commitment to tackle poverty, the adoption of numerical targets and the institutionalising of political and public accountability, would be important in any context. However, their salience is increased by the challenges of the global recession, the opportunities proffered by the European Year for Combating Poverty and Social Exclusion, and the invitation that the EU Council has given to considering developing quantified policy objectives in the area of combating poverty and social exclusion (EC 2008).

The Peer Review focussed on the ‘Scoreboard’ as an instrument of governance. The Scoreboard is important in itself. It comprises measures that map the dimensions of poverty considered to be important in a French context and therefore reveals much about the political construction of poverty in France and, perhaps to a lesser extent, that of social exclusion. At a technical level, specification of the individual measures is often instructive because there are departures from conventional European approaches, novel additions and unusual formulations. The procedure through which the ‘Scoreboard’ was developed, involving extensive consultation, is worthy of note as is the work being done to develop regional analogues for the national measures, attempts to overcome the time delays associated with traditional data collection that necessarily leave policy makers ‘flying blind’, and efforts to engage further with people with direct experience of poverty. These issues are considered further below.

However, it also essential to acknowledge the importance of the broad policy thrust and the political stewardship that created a role for the ‘Scoreboard’. To date, this stewardship has sought to ensure the Scoreboard’s saliency, promoting its public visibility and encouraging various parts of government to make use of it to inform the development, implementation and monitoring of policies consistent with reducing poverty.



The commitment of the French Government to reduce poverty by a third within five years was given Presidential authority when announced by Nicolas Sarkozy in 2007 on the World Day against Poverty (17th October).

'I have charged the government to reduce poverty in this country by at least one-third over five years. I want to see this long neglected social issue become a political issue. I set this target to force us to deliver. It will force us to unearth the mechanisms that spawn poverty and to set up the ones that will eradicate it. I have asked Martin Hirsch to meet this goal.

But it is a goal for the government as a whole.

So it is a goal for every minister regardless of his or her field of action.'

Nicolas Sarkozy, President of France, 17 October 2007 (PFUE, 2008)

Moreover, the appointment of Martin Hirsch, High Commissioner for Active Solidarity Against Poverty, as a champion for the target gave the initiative ministerial clout, albeit not at the highest political level, but through the activity of a politician nationally associated with poverty as a social cause.

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It was clear from the President's speech that the political intent is that the poverty target should simultaneously fulfil three functions: to stimulate interest in poverty and social exclusion; to build support for reform, and to pressurise all parts of government to deliver reform and policy outcomes. The 'Scoreboard' is the stimulus through which these goals are to be achieved — a mechanism of accountability that is to take two forms: the political equivalent of the victor's podium when targets are seen to have been met and the counterpart of medieval punishment stocks, with public humiliation and opprobrium, when they were missed. Moreover, in the same way that the poverty target is enshrined in legislation through the law of December 1, 2008, so, too, is the Scorecard. The same law of December 1, 2008 referred specification of the measurement of poverty to a decree to be issued by the *Conseil d'Etat* (Council of State) which, when published on 21st May 2009, specified that a monitoring scorecard, annexed to the Decree, should be used.

With the target and scorecard intended to create an institutionalised momentum for change, the policy package was completed by the introduction



'active inclusion', a mechanism based on the premise, to cite President Sarkozy, that it is necessary, 'to consistently reward work as opposed to government benefits, and to ensure that work invariably provides a door out of, and protection from, poverty' (PFUE, 2008, p.1). Active inclusion is based on 'three complementary and inseparable principles': a guaranteed adequate minimum income; policies promoting labour-market integration; and access to quality social services. Among the most important of the reforms introduced in 2007 were: the replacement of '*revenu minimum d'insertion*' (RMI) and certain other benefits by the '*revenu de Solidarité active*' (rSa) which was piloted in 34 *départements* prior to full implementation on 1st June 2009; the '*Grenelle de l'insertion*' (round-table on Inclusion) which sought to gather ideas from stakeholders and produced a set of shared guidelines and priority projects in 2008; and a call for innovative policy ideas to be tested by social experiment.

Complementing the new '*revenu de Solidarité active*', a new employment network (*Pôle emploi*) was created in 2009, merging the ANPE (*Agence Nationale pour l'Emploi*) and the ASSEDICs (*Association pour l'emploi dans l'industrie et le commerce*). The network provided for the introduction of greater individualised assistance to people returning to work, more engagement with people with disabilities, and the creation of a simpler and cheaper route to setting up a business ('*autoentrepreneur*' status). Whereas '*revenu de Solidarité active*' is focussed on those deemed able to work, the French government has also committed itself to increasing the value of benefits for those unable to do so; the minimum old-age pension and benefit paid to disabled adults is scheduled to rise in value by 25 per cent over five years. In addition, in response to the global recession, the French government has recently implemented a series of one-off or supplementary payments to particular groups of benefit recipients and low income families, and provided additional support to organisations working with disadvantaged groups.

The Scoreboard, then, is not simply a list of indicators, but an important element in a larger strategy designed to make poverty more visible, to stimulate public debate, to mobilise policy intent and to incentivise effective policy delivery designed to reduce poverty.



The remainder of this synthesis report divides into four principal parts. The first describes the content of the Scoreboard, its origins and recent developments. The next section briefly reflects on related experiences of Member States participating in the Peer Review. The subsequent section identifies points of contention or learning relating first, to the political strategy and policy implementation and secondly, to the content of the Scoreboard. The report concludes with a section reflecting on the implications of the Scoreboard for the EU policies and strategy.



Part B: The French Initiative

While the Scoreboard is part of wider strategy to engage the French body politic with policy to tackle the problem of poverty, this section focuses solely on the Scoreboard, its contents and some of the early results. It is important to recognise that the Scoreboard is the product of extensive consultation across central government and beyond, embracing the social partners, representatives of elected regional and *département* bodies, associations, experts and ministerial advisers. This resulted in concerted policy document but not a co-drafted one

The Scoreboard

The scoreboard is not an attempt to provide a definitive measure of poverty, per se, specified with reference to a precise academic or theoretical concept. Rather the scoreboard is driven by policy intent with some 38 indicators organised within 11 thematic policy objectives.

The 11 thematic objectives are as follows:

To fight:

1. Poverty and inequality;
2. The accumulation of difficulties in living conditions;
3. Child poverty;
4. Youth poverty;
5. Poverty in old age;
6. Poverty of people who have a job;

To promote access to:

7. Employment;
8. Housing and maintaining housing;
9. Education and training;

To support access to:

10. Care;

To fight:

11. Financial (banking) exclusion.

The range of objectives and associated indices are included on the scoreboard in order to compensate for the limitations of a single measure of poverty, to reflect better the multi-dimensional nature of poverty and to recognise the contribution required from the whole of government if the poverty reduction target is to be met.

A variable number of specific indices are included within each thematic objective ranging from seven relating to tackling 'poverty and inequality' to a single index used to measure of 'cumulative difficulty', or deprivation (although the latter is itself a composite index derived from 27 different types of financial problem). Within each theme, one or more quantified targets — 18 in total — have been established that are required to be met with five years, the clock having been set running at October 2007.

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Precedence is accorded to the first of the 11 thematic objectives — the fight against poverty and inequality — and, within the set of associated indicators, priority is given to the measure of income poverty defined with respect to a threshold of 60 per cent of median household income (after adjusting for household size) set constant in real terms. This 'central', 'anchored in time', indicator is the one chosen to assess progress towards the government's goal of reducing poverty by a third within five years. It reflects living standards at the beginning of the monitoring period, maintains the value of the threshold in terms of what can be purchased but is not adjusted to take account of rises (or falls) in general French living standards. As a consequence, poverty as measured by this index could be reduced simply by growth in the economy but could equally rise during a recession (a period in which negative growth occurs).

Measures of relative poverty, with thresholds set at 40, 50 and 60 per cent of median household income after adjustment for household size, complement



the core index specifically to ensure that any reduction in poverty that is achieved is not associated with increased inequality or reduced social cohesion. In addition, measures of the poverty gap, (the relative difference between the median income of poor individuals and the poverty threshold) — a gauge of the average severity of poverty — and of the persistence of poverty — the proportion of people who are poor in two of the previous three years — are included, both expressed in relation to the 60 per cent relative poverty threshold. The set of indicators associated with the first thematic objective is completed by a measure of non-discretionary, non-negotiable (*Préengagées*) expenditure as a proportion of before-tax income for persons living in households with income in the first (lowest) quintile. This is the only measure in the first set that has no counterpart in the Laeken social inclusion indicators employed by the European Commission.

As already stated, the second objective which measures financial hardship and material deprivation is a simple composite measure based on 27 types of difficulty and broadens the conceptualisation of poverty from income to material circumstances. Like the indicators included in the first objective, this is a full population measure whereas the subsequent four objectives relate to population subgroups, three of which are defined by demography (children, youth and elderly people) and the fourth which focuses on in-work poverty. Both anchored-in-time and relative poverty measures are included for the demographic groups and, in the case of children, a measure of tooth decay. Children's preventative health policy in France has focused on tooth caries and child obesity but has proved least effective among disadvantaged children; adequate data on obesity is not available to complement the measure on tooth decay. Turning to in-work poverty, the Scoreboard includes, as well as a direct relative measure, indicators of under-employment: part-time workers wishing to work longer hours; and the average number of weeks in paid employment (neither of which is included as a Laeken indicator).

As the minutes of the Peer Review clarify, 'the scoreboard is not just an indicator of poverty. It is a pointer towards the policies needed to tackle poverty' (EC. 2009). Hence, four of the objectives relate to access to employment or to services. The employment indicators consist of group-specific employment rates and a measure of the proportion of households



in which no-one is in paid employment. The indices of access to housing include ones relating to the balance between the demand and supply of social housing and the proportion of household expenditure devoted to housing by low income households. Parallel indices are included for care with measures of the denial of access to care on financial ground and care costs as a fraction of household spending. The education indices embrace both educational achievement (scores in literacy, French and mathematics at various ages) and outcomes (early school leaving and participation in continuing education). Finally, the Scoreboard contains three measures of financial exclusion including two indices of over-indebtedness and one of the penetration of bank accounts.

Developments

The initial announcement of the poverty reduction target was made in the midst a period of sustained, if not spectacular, economic growth during which rates of relative poverty were nevertheless static and the severity of poverty — the size of the poverty gap — actually increased. By the time that the associated legislation passed at the end of 2008, the French economy was already in recession, and publication of the Scoreboard and the first explicit targets coincided with the worst global recession in more than a generation during which national economic output declined by almost three percentage points over a six month period. In the 24 months to November 2009, the national unemployment rate rose by over 2 percentage points to reach 10 per cent, falling by a modest 18,700, or 0.7 percent in December 2009. Youth unemployment, already above the OECD average at the beginning of the downturn, increased twice as fast as the overall unemployment rate with the result that about one young person in four was jobless in the latter half of 2009 (OECD, 2009). France has now returned to economic growth, and while there is uncertainty about future employment, the official prediction is that unemployment will continue to fall in 2010 as the economy improves (Reuters 2010).

There is no evidence that the French government responded to the recession by lessening policy ambition and setting lower targets. As Table 1 indicates, the targets established for the key income-based measures require a step-



change in the success of policies compared with past trends. The ambition to reduce anchored in time poverty by a third in five years contrasts with a fall in just four per cent achieved in the three years to 2005. Moreover, the target of reducing relative poverty by 15 per cent is particularly bold given that relative poverty rate actually increased by two percentage points between 2005 and 2007 and that no improvement was recorded in this measure in the three years before 20

However, the speed of onset of the recession and the rapid increase in its intensity did draw attention to the need for up to date information in order to monitor its consequences. To this end, and within the broad administrative architecture of the Scoreboard, the French Government has sought to develop six strategies through which to generate more up to date information, a number of which are pioneering and of potential interest to other Member States.

Table 1 — Scoreboard: Selected income based measures and targets

	Latest Value	Latest Trend	Target (5yrs)
Poverty rate anchored in time (initial threshold at 60% of equivalent median income)	12.5% (2007)	-4% (2002–5) -5% (2006–7)	-33%
Rate of income poverty threshold at 60% of median equivalent income	13.4% (2007)	Stable (2002–5) +2% (2006–7)	-15%
Poverty Intensity/Severity	18.2% (2007)	+12% (2002–5) +1% (2006–7)	Stability
Poverty Persistence Rate	9% (2000)	Stable (1997–2000)	Stability
Rate of non-negotiable (<i>Préengagées</i>) expenditure for individuals in the low-west income quintile	53 (2005)	+18% (2002–5)	Stability

Source: HCSACP (2009)



The first approach relies on statistical simulation and was the source of most of the up to date information included in the first annual report on the Scoreboard to Parliament in October 2009 (HCSACP 2009). Table 2 reveals the reassuring findings that poverty fell between 2007 and 2009 despite the impact of the recession. The Report makes clear that this simulation, being the very first in a series, is necessarily susceptible to error and subsequent revision when empirical evidence eventually becomes available. The Report attributes the findings partly to policies put in place in response to the recession and to a series of other policy reforms. It also notes that the

fall in in-work poverty might be due to the lowest paid being most vulnerable to unemployment and hence to dropping out of employment. To the extent that the simulations prove to be accurate, it is also possible that the fall in the anchored in time measure reflects continuing rises in wages during the early part of the period while the fall in relative poverty reflects a decline in median income due to falls in stock market prices and share values.

The second approach entails use of administrative data, which are typically available on a quarterly basis, relating to recipients of benefit and other schemes providing the frontline defence against poverty. While rSa had been introduced too recently to be of value, RMI recorded significant increases in caseload. The third strategy revolves around meetings between the largest associations concerned with the fight against poverty and the High Commissioner for Active Solidarity against Poverty which facilitated collection of data on trends in the number of applicants for services such

Table 2 — Scoreboard: Selected simulation results for income based measures 2007–2009

2007–2009			% points	% change
1	Poverty rate anchored in time (2006)	All	-1.6%	-14%
		Workers	-1.3%	-19%
2	Rate of income poverty threshold at 60% of median equivalent income	All	-0.7%	-5.5%
		Workers	-0.8%	-10.4%
5	Poverty Intensity/Severity		-0.8%	-4.5%

Source: HCSACP (2009)



as food aid, housing assistance, clothing assistance and job search and information on the nature of problems being encountered. To date, it has not yet been possible to collate this kind of information systematically but the strategy is still being pursued.

Special surveys have also employed including two representative household surveys which were conducted in December 2008 and March 2009 to investigate experiences of, and responses to, the recession in which low income households were over-sampled. In addition, since March 2009, the national survey of consumer confidence conducted by INSEE has included a suite of questions concerned with the impact of the recession, providing a barometer of persons' perceptions of the state of their domestic economies.

Even more innovative is the creation of a panel of 1,000 field workers in direct contact with people experiencing poverty and social exclusion to be undertaken by Crédoc (*Centre de Recherche pour l'Étude et l'Observation des Conditions de Vie*) for ONPES. The telephone interviews seek knowledge of the current state of poverty and social exclusion, events and developments of especial saliency, and the response of people in poverty to organisations seeking to assist them. The first survey revealed increasing hardship and consequently rising demand for services and increased feelings of hopelessness that led both to reduced take up of services and increased aggression towards service providers (HCSACP, 2009).

Finally, a number of specific studies have been undertaken on particular topics including a study of persons gleaning for food and a study of mental health among homeless people (CERPHI, 2009).

A further important development witnessed since the introduction of the Scoreboard has been the attempts to engage lower tiers of government in targeting and monitoring poverty and social exclusion. In France much of the responsibility for delivery of services and anti-poverty programmes lies with the *départements* and the 36,700 *communes*, 60 per cent of which have less than 500 inhabitants. Nevertheless, communes are legally required, either singly or in concert, to establish social action centres (CCAS; CIAS) that are intended to run a range of social and medico-social facilities under boards comprised of elected councillors and NGO representatives. The CCAS and



CIAS are also required to prepare social needs analyses (ABS) that include local goals, indicators and policy strategies. There have been experiments in developing new local level indicators, some based on non-monetary and subjective indicators, and in the systematic use of 'observers', professionals and service providers, who are in a position to recognise signs of increasing poverty or the emergence of new forms of disadvantage. The aspiration is that local level data can be fed into national policy making

Similarly, a working party has been established to develop indicators at *département* level. Currently, in its initial stages, 70 common indicators have been agreed and the intention is, in time, to develop associated targets. Priority has been given to indicators that have already proved valuable at international (Laeken) and national level but these often lack robustness and sensitivity at *département* level even where suitable data are available. Moreover, they have not always gained the political support necessary for local implementation. Field testing of the *département* level indicators is anticipated to take place in between six and 10 *département* before it is hoped that the system will be implemented nationwide.

To summarise, the Scoreboard, though much influenced by the Laeken indicators, is innovative in terms of some of the measures included, the initiatives pursued to develop the indicators to match different political and administrative geographies and in the measures adopted to generate up to date information on current circumstances. Establishing a series of quantitative poverty reduction targets, subject to public audit, also places France in the vanguard of Member States demonstrating real political commitment to tackling poverty.



Part C: The European Context

While the Scoreboard is a uniquely French development and linked specifically to domestic policy initiatives, France is not the first European country to set anti-poverty targets; Greece, Ireland, Lithuania and Spain all did so before France while others, notably the United Kingdom in 1999, have established targets for particular groups such as children. Moreover, as has already been discussed, the indicators employed in the Scoreboard are heavily influenced by the Laeken indicators developed by the Indicators Sub-Group of the European Union Social Protection Committee to be used by Member States in their National Action Plans for social inclusion, although the priorities attached to the indicators differ considerably (see, also Walker, 2009). A number of other Member States have adopted or modified the Laeken indicators and incorporated or 'mainstreamed' them as an integral part of their national policy making and domestic political debate; this is in addition to using them in the preparation of National Action Plans as part of the Open Method of Coordination and the associated trans-national policy discourse. Member States participating in the Peer Review illustrate these varied responses and a brief review of this experience provides a useful foundation for reflecting on the learning points to be taken from the French initiative.

Ireland

Ireland was the first European Country to set explicit poverty reduction targets. In 1997, it announced the intention to reduce the proportion of people who were 'consistently poor', which in 1994 had ranged between 9 and 15 per cent (depending on the particular demographic group), to between 5 and 10 per cent by 2007 (Colin, 2007). Although Ireland used a single indicator, the 'consistent poverty' measure was effectively two dimensional since it counted as poor only those people who had incomes below 60 per cent of median household income and lacked two¹ or more items from a list of eight (later increased to 11) that were considered essential for 'a basic standard of living'. The Irish government subsequently revised the target partly because

1 This was originally one out of eight items



of the introduction and adoption of the EU-SILC survey as source data for monitoring progress produced an upwards discontinuity in the monitoring data (OSI, 2009). The new target was more ambitious, aiming to reduce the proportion of persons consistently poor to between two per cent and four per cent by 2012, with the intent of eliminating consistent poverty by 2016. While not having the legal underpinning of the French Scoreboard, the Office for Social Inclusion in the Department of Social and Family Affairs, created in 2003, has oversight of the social inclusion agenda and the poverty target. The Irish poverty reduction targets have always had key programme targets associated with them. So, for example, the target at the time of the 2002 update of the NAPinclusion update was for the adult minimum weekly rate of social welfare to achieve €150 in 2002 terms by 2007 (Morrin, 2009).

Lithuania

Lithuania adopted quantitative poverty targets when it published its National Poverty Reduction Strategy in 2000. One goal was the complete eradication of 'deep absolute poverty' (income below State-supported income) by 2003 (about one per cent of population were in absolute poverty in 2000). A second goal was to reduce relative poverty (60 per cent equivalent disposable income) from 16 to 13 per cent by 2005 (with rates for the most vulnerable groups — single parents, families with three and more children, persons unemployed, and farmers — to be lowered to 20 per cent). A third set of targets concerned access to services: everybody needing food, accommodation or clothes was to be provided with minimal resources; everybody would have access to urgent health care; and all children up to 16th years old would be provided with an opportunity for education. However, while the President of Lithuania appointed a commission to implement the National Poverty Reduction Strategy, it was not clear from papers presented at the Peer Review whether, and in what ways, the targets were still being actively pursued. Indeed, it appears that the targets may well have been abandoned in response to rises rather than reductions in poverty rates (Lazutka, 2009).



Belgium

Stimulated by the French Scoreboard, the Belgium government launched a Federal Poverty Barometer in the beginning of 2009 (Dam, 2009). It covers a similar range of topics to the French Scoreboard (income and debts; health; work; education; housing; and participation) but adds direct measures of the effectiveness of policy design. For example, it includes social assistance and minimum social security rates expressed as a percentage of the 'at risk of poverty' threshold, while measures of participation in sports and cultural activities are included together with subjective measures of health. Like the French Scoreboard, the Belgium Barometer is the responsibility of a junior minister and was developed in consultation with a range of stakeholders. However, as stakeholders were members of the Working Group that was given the task of preparing the first draft of the Barometer, they arguably had a more direct influence on its form than did stakeholders in France. Unlike the Scoreboard, the Barometer is not explicitly integrated into a particular policy strategy such as active inclusion. Nor does it include specific poverty reduction targets, probably because of uncertainty about the connection between the broad range of policies that constitute the government's anti-poverty programme and specific indices.

Bulgaria

For Bulgaria, the French Scorecard is aspirational (Draganov and Iliev, 2009). While institutions are in place to deliver on the National Action Plan for Social Inclusion, with a Social Inclusion Unit being located in the Ministry of Labour and Social Policy and a strong commitment to participation by civil society and the social partners, poverty indicators are rarely used to justify, formulate or to evaluate policies. A system of indicators is only just being developed and there is no tradition of social impact analysis. Special surveys are rarely conducted and there is limited faith in existing measures and independent investigation of poverty is scarce.

Romania

Similarly, the value of the French Scoreboard is evident to Romania as it embarks on establishing a Social Observatory to develop a set of indicators to identify and analyse trends in poverty and social exclusion and to assist in developing Romania's National Action Plan for Social Inclusion (Capătă and Poede, 2009). Since 2005, the government has been committed to the elimination of social exclusion and to establishing a hierarchy of primary, secondary and tertiary indicators. The two prime measures currently used are the Laeken 'at risk of poverty' relative measure and an absolute measure developed in 2002 with the assistance of the World Bank, which is based on a food basket delivering 2, 550 calories/day plus an allowance for other expenditures. With the period of rapid economic growth after 2000, absolute poverty fell from 36 per cent to 10 per cent by 2007 while relative poverty (60 per cent of equivalised median income) remained constant at around 18 per cent. The energetic attempts by the French government to develop variants of the Scoreboard indicators for use by local government would also appear to be of relevance to Romania which has both a National Commission for Social Inclusion that determines strategic priorities and a county level commission that has a consultative role in adapting national priorities.

Portugal

Portugal appears to have more developed data collection systems and micro-simulation studies that are used to monitor policies and to assess their impact than either Romania or Bulgaria. Several years ago Portugal developed a set of measures designed to reflect the multidimensional nature of poverty and to complement the primarily monetary indicators then in use (Rodrigues and Guerra, 2009). Like France, it is also committed to active inclusion and, in 1997, launched a Social Integration Income programme ('*Rendimento Social de Inserção*', RSI) that links income receipt to service provision including health care, education and engagement with the labour market. However, Portugal has no system akin to the French Scoreboard or any comprehensive commitment to the use of quantified targets. Indeed, Portugal might look to Europe and the Commission to propose the establishment of such targets as a means of monitoring National Action



Plans for Inclusion and encouraging progress in the fight against poverty. This process might also generate further improvement in the indicators used since measures based on income can fail adequately to reflect the importance of service delivery in addressing social exclusion.

The Netherlands

The longstanding Dutch approach is also to define poverty as more than the simple lack of money, embracing an inability to participate in society and the relative absence of future prospects (MSAE, 2009). Reflecting this viewpoint, Dutch policy employs a range of inclusion indicators. Policies to tackle child poverty, for example, are monitored with respect to children's engagement in a range of social, cultural and religious activities as well as with respect to household incomes. Policy in the Netherlands is subjected to Parliamentary and independent scrutiny with annual reports being made of progress against selected indicators. Municipalities are also required annually to prepare a Work and Benefits Core Card ('*kernkaart*') that reports on local performance. However, numerical targets are rarely set although the Court of Audit ('*algemene rekenkamer*') has recently requested that national progress to implement the Lisbon Strategy should be monitored against a limited number of specific and measurable goals.

Malta

Malta has already incorporated quantified policy goals into its policy planning, most notably in connection with the NAPinclusion strategy which, for the period 2008–10, includes maintaining the risk of poverty constant at 14.2 per cent and reducing it thereafter, and reducing the risk of child poverty to below 19 per cent (Abela and Vella, 2009). There is considerable overlap between the thematic objectives of the French Scoreboard and the policy foci in Malta and both countries emphasise the multi-dimensional nature of poverty and the importance of active inclusion policies to combat it. However, Malta has not set ambitious poverty targets (although it has done so with respect to further education and female employment rates). Moreover, to date it has

treated indicators as devices to monitor and evaluate policy rather than as 'an ends in themselves'.

Luxembourg

Luxembourg recognises the importance of tackling poverty and is committed to doing so (Berger, 2009). It has adopted a particular focus on child poverty through a range of new policy reforms including introducing '*Le boni pour l'enfant*', a universal family benefit and doubling the amount of means tested social assistance ('*allocation de vie chère*'). However, it lacks traditions of impact assessment and numerical policy targets, the latter not being widely considered as necessary in order to dynamise the policy process. Instead, the Laeken indicators are employed to observe progress and, since the indicators are imperfect measures of the impact of policies to combat poverty, static micro-simulation models are also used.

This selective review of international experience suggests that France is not alone in adopting a multidimensional perspective on poverty measurement, in consulting widely on measures, nor in setting quantitative targets for poverty reduction. Among the nine countries considered however, it is unique in the legislative basis given to the Scoreboard and in the concerted cross-government action envisaged in achieving targets that are comparatively strikingly ambitious. It is also evident that a number of governments will be watching the French experience closely and that Belgium has already drawn on the Scoreboard in designing its own Poverty Barometer although the Belgian government has not pursued a policy of quantitative poverty reduction targets.



Part D: Issues in transferring the Scoreboard

The French Scoreboard constitutes a key element in an audacious political strategy to build support for tackling poverty. It is also a sophisticated policy tool designed to monitor policy outcomes and better to understand trends in poverty and social exclusion. Not surprisingly, therefore, there are learning points for Member States relating both to political strategy and to poverty measurement. These are now dealt with in turn.

Political strategy and policy implementation

The sheer audacity of the French project inevitably invites one to question the political logic that underpins the exercise and it is this feasibility that is discussed first. However, there are also important issues of implementation that would need to be considered if the initiative is to be copied: criteria for the setting targets, the means of engaging with civil society and with people with direct experience of poverty; interdepartmental working and the scope for vertical integration.

Feasibility

The political project encapsulated in the French Scoreboard to reduce poverty is particularly bold because poverty has not been a major priority in the minds of the French electorate in recent times and, while poverty has risen over the last 20 years, it is not exceptionally high in comparative European terms (OECD, 2009). The strategy is also bold in that the Scoreboard is enshrined in law, includes explicit poverty reduction targets and a pressing time scale. Moreover, the commitment to publish a report on progress annually, a very public form of accountability, is an invitation to the body politic to scrutinise the effectiveness of the poverty reduction strategy.

The political risks associated with the policy were recognised by the French Government. Nevertheless, as President Sarkozy made clear, he wanted to use the pressure of publicity to transform a social issue into a political one and to create an irresistible public and political force to ensure delivery of the targets. There is evidence that this strategy can be successful in

promoting and retaining poverty reduction as a political goal. The Irish Anti-Poverty Strategy has been sustained for over 12 years, while, in the UK, the Conservative Party is committed to pursue the poverty targets introduced by the incumbent Labour Government if elected to power (CP, 2008). Even in Canada, where the federal government in 1989 set an ill-fated goal of eradicating poverty by the year 2000, the provinces have taken over the mantle of poverty targets (CWP, 2009).

Of course, there is debate about how necessary targets are to the success of an anti-poverty strategy and, hence, whether targets should be adopted. The policy logic is that politicians need to be forced to tackle poverty and that this, in turn, requires the public to coerce them. The model, therefore, is one which emphasises the importance of public opinion animated by the targets, or alternatively, pressure imposed from groups representing people with direct experience of poverty rather than leadership and commitment from the political elite. An additional managerial logic is that the targets can be used to dynamise bureaucracy through clear accountability, audit and inter-agency competition. Whether or not this logic — which is contested by some participants in the Peer Review — is correct will become evident over time. However, the general failure to make massive inroads into poverty across Europe cannot be attributed to the presence of targets but, instead, stands as testimony that a new approach to the problem is required.

The need for both success and critique

Certain elements may need to be in place to sustain an anti-poverty programme. Some measurable success appears to be important in terms of maintaining credibility and interest; this occurred in both Ireland and the United Kingdom but not in Lithuania or, on a noticeable scale, at federal level in Canada (Jones, 2009; Walker 2009). Equally, as is demonstrated by British experience, the political costs of missing targets does not have to be excessive. Engaging stakeholders in the design of measures and building a shared understanding of the scale and nature of the challenge of reducing poverty, as the French government has done, may lessen criticism if progress proves not to be as anticipated. Indeed, it is probable that a common understanding of the nature and scale of the problem enables politicians and policymakers to take chances that may support policy innovation and



advance. Whether involving civil society directly in setting targets would further lessen the political costs of missing targets is unclear but is at least a possibility. Nevertheless, the policy logic for targets and public accountability requires some critique to maintain pressure on governments to deliver as promised; while consultation is essential, taking it to the point of capturing civil society within the inner policy family is likely to prove counterproductive. Some judicious balance of engagement and independence is required.

Setting targets

The suggestion that a modicum of success is required to sustain a continued interest in, and commitment to, policy targets has implications for the setting of targets. Targets should stretch organisations but nevertheless be attainable. Ideally they should also be simple, understandable and as few in number as is appropriate given the policy goals and the nature of the implementation logic.

However, judgements about what is attainable are not straightforward and need to be informed by an understanding of past trends and policy effectiveness, the resources available, and the implementation logic and likely effectiveness of new policies. It is not clear how the French government determined the level and timing of the core poverty reduction target and the resources that it is prepared to invest in ensuring that the target is met. However, as Table 1 shows, to reach the target will require a considerable step-change over past performance. Whether the focus on activation as the principal policy driver will itself be sufficient must be open to doubt since such schemes as have been evaluated have typically had positive but quite modest impacts (Moreira, 2008; Cebulla et al., 2005). Moreover, active inclusion — whether expressed as a policy goal or policy strategy — requires more than labour market activation; there also needs to be a focus on engagement, access to services, quality of service provision and democratisation of control.

Nevertheless, the simulated results for 2007–09 presented in the first annual report on the French Scoreboard look very promising with respect to both the anchored in time indicator and the relative measure, and it will be

very interesting to learn how closely these projections match with the actual figures when they become available (See Table 2 above and HCSACP, 2009).

Empowering civil society

There is not much evidence that setting targets and monitoring performance builds mass voter interest in poverty or changes the rank order of their political priorities. Rather it is the representative organisations of civil society that perform the roles of appraiser, auditor and critic and even they have sometimes had to struggle to get extensive media coverage (McKendrick, et al., 2008). In part this is not surprising. Voters typically underestimate the chances of ever suffering from poverty and attach greater importance to quality health care, good education services and sustained employment (EC, 2009). Moreover, issues to do with the measurement of poverty, the interpretation of statistical trends and the impact of policies state are technical and inherent complex and require specialist skills. For many years the Irish government supported the Combat Poverty Agency to undertake analyses of poverty and to promote critical discussion and recently, the government in Britain has funded civil society organisations to build an analytic capacity and to engage in discussion about the poverty targets.

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An important by-product of the preparation of National Action Plans under the Open Method of Coordination has been a strengthening of the capacity of civil society in many Member States to engage in policy debate. This may have aided the French government in its consultations on the Scorecard but it is highly probable that the shift from the development of measures to the monitoring and interpretation of indicators is going to require sustained investment in the analytic capacity of civil society.

Engaging with people with direct experience of poverty

While the French government engaged in extensive discussion in developing the Scoreboard the voices of people with experience of poverty were generally heard indirectly through advocacy and representational groups. It is not self-evident, therefore, that the perspective and priorities of those most expert in poverty, people who experience it directly, are appropriately reflected in



the Scoreboard or, indeed, in the regional and local variants currently being developed and trialled.

There is also a strong case, on grounds of efficiency as well as fairness, for engaging people with direct experience of poverty in interpreting the results of the monitoring exercise. While child poverty is a focus, engaging directly with children has clear advantages (D'Addato, 2009). To a limited extent this is already happening via the studies of particular vulnerable groups commissioned by the French government in the context of the recession but, for the most part, these have been exercises in learning about people in poverty rather than learning from them. To achieve the latter, it is typically necessary to ensure that people with direct experience of poverty are provided with advocacy skills. While this does not mean training people in poverty to become policy-makers, it does require policy-makers both systematically to provide the space and resources to enable lay persons to articulate their views and to learn how to listen to them. It is also important to try to engage directly with people who are not claiming services or benefits and, indeed, with people who not currently poor (Jones, 2009). Contact with the former two groups may elicit reasons why policies are not reaching targeted groups while obtaining the views of more affluent people is important in building support for anti-poverty policies and for better understanding the processes by which people in poverty come to be stigmatised and excluded socially.

Cross government working

While it has proved possible, in certain circumstances, to sustain a policy debate through the use of poverty targets, there is less evidence that governments can sustain the political will, if not the support, actually to attain them. The Canadian government failed spectacularly to eliminate poverty by 2000 and, while the Irish government rapidly achieved its first poverty target, it has subsequently been less successful. Similarly Lithuania made little headway against its target and, although the child poverty in Britain fell by six percentage points in the six years after the target was set, it subsequently rose by two percentage between 2004/5 and 2007/8) (TPS, 2010). Moreover, it is far from clear that the achievements in Britain reflected much more than the benefits of economic growth and selected policies lifting the previously 'only just poor' above the poverty threshold. What is certainly evident, though,



is that, as with the French initiative, there is need for powerful and sustained support from the very top of government and a strong champion to lead, incentivise (possibly financially) and cajole government departments and agencies to take ownership of the anti-poverty targets.

A central challenge to delivery on anti-poverty targets is the requirement to break the bureaucratic compartmentalisation of policy and to develop a multifaceted approach to poverty that is conceptualised multi-dimensionally. The presidential language recognises that the French poverty reduction target is 'a goal for the government as a whole' and a 'goal for every minister' and the Scoreboard reflects this across government perspective by being the product of an inter-ministerial committee. However, the Scoreboard includes domain specific targets that reflect the responsibilities of particular government ministries and which could be interpreted as the contribution required of individual ministers and their departments to the poverty reduction goal. In reality, poverty cannot be satisfactorily tackled merely through the accumulation of ministerial effort. Anti-poverty policy is not simply additive but requires: *simultaneity* — the delivery of multiple services to the same people; *complementarity* — different combinations of policies to address different aspects and kinds of poverty; and *substitutability* — the application of different policies to attain similar goals in different circumstances. This entails ministries working together to develop cross-ministerial policies.

In France, responsibility for stimulating and coordinating the development of such government wide policy rests with the High Commissioner for Active Solidarity Against Poverty and it may be a considerable challenge for a junior minister to break the mould of ministerial policy making. In Britain, this formal responsibility changed hands between senior ministers but the personal interest of Gordon Brown, the current Prime Minister and the former Chancellor of the Exchequer, is generally viewed as being the critical motivator. Indeed, under his auspices, the poverty targets were incorporated as Public Sector Agreements (PSAs) between HM Treasury and individual government ministries, underpinned by the possibility of financial sanction. The child poverty PSA is shared between Chancellor of Exchequer, the Secretary of State for Children, Schools and Families and the Secretary of



State for Work and Pensions with the senior official being located in HM Treasury (HMT, 2007). In France, the Scoreboard itself is seen as a device to challenge ministries over their contribution to common goals and, in policy development, to encourage them to reflect on the implications for the most disadvantaged. How far it will succeed in promoting continued inter-ministerial policy development remains to be seen.

Vertical integration

As noted above, a uniquely important feature of the French strategy is that it seeks to engage lower tiers of government in targeting and monitoring poverty and social exclusion. As is often the case across Member States, responsibility for much of the delivery of services rests with local government. Elsewhere in Europe, this vertical disjuncture has often inhibited the development and/or implementation of a coordinated anti-poverty programmes (O’Kelly, 2009).

The work that is underway in France to develop local indicators is drawing attention to data limitations. It is also beginning to question whether the same indicators need to be differently interpreted at different levels of geography and whether, in fact, different measures are required and, if so, how these might be constructed and updated. There are further taxing issues to do with who chooses the indicators and whether this should be a local decision, advantageous in terms of ownership and relevance, or a national one that might facilitate data accumulation and integrated, comprehensive and geographically nuanced analysis. It is also apparent that there is a requirement to build local expertise to collect, collate and especially to interpret local indicators. Hence, the planned field testing of the indicators takes on particular importance, not only for France but for other Member States seeking to engage multiple tiers of government in the fight against poverty and social exclusion.

To conclude, there is no surety that the French strategy will prove to be successful or transferable to other Member States. There is no lack of ambition. The goal is both to shift the priorities of the French body politic in favour of truly tackling poverty and then to implement policies capable of bringing down poverty rates. Moreover, these goals are to be attained



in a less than favourable economic environment. Targets can succeed in mobilising interest and in dynamising lethargic bureaucracies. However, progress against targets needs to be evident which means targets need to be but realistic and the policies implemented to attain them appropriate and effective. Whether activation is sufficient, even together with a guaranteed adequate minimum income and improved access to social services remains to be seen; much is likely to depend on the resources committed and their effective use. What is evident is that poverty is complex and multifaceted and can only be adequately addressed by policies that are delivered in concert across the whole of government. Moreover, because polices that tackle poverty are often delivered by local government, there is also a requirement for vertical integration with a two-way exchange of information and know-how. Finally, there is a need to engage with civil society to build support for policies to lessen poverty and to listen to people with direct experience of poverty to learn what is, and what could, make a real difference to their lives.

Content of the Scoreboard

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Much attention has rightly been paid to the content of the French scoreboard; not only does this determine whether, as a policy tool, the Scoreboard is fit for purpose but also the extent to which it is an appropriate model for other Member States.

Poverty or social exclusion

The Scoreboard comprises many indicators, but it does not provide a definitive or a comprehensive measure of either poverty or social exclusion; rather it is inevitably a device that reflects current French policy objectives and political preoccupations.

Although the Scoreboard is explicitly designed to shift media interest away from an exclusive focus on income poverty, it retains a heavy emphasis on quantitative measures of income poverty omitting qualitative aspects of the poverty experience and many dimensions of the broader concept of social exclusion. There are no measures, for example, of the sense of personal failure, worthlessness, alienation, powerlessness and lack of choice



associated with poverty, all features that people with direct experience of poverty tend to prioritise (Castell and Thompson, 2007; Walker et al., 2009). Similarly, there are few indicators in the Scoreboard that relate to social capital or to the political, cultural and ethnic exclusion associated with poverty. Measures of victimisation, exploitation, gender inequality and discrimination, of security, substance abuse and crime, and of isolation, homelessness, poor infrastructure, physical dilapidation and access to energy are all largely omitted (Jones, 2009).

One measure or many

While some of these omissions are no doubt explicable in terms of a lack of available data as well as policy intent, they ensure that the Scoreboard is, at best, partial and, at worst, biased as a measure of poverty and social exclusion. This difficulty is exacerbated by the fact that, with one exception, namely the priority given to the anchored in time measure, equal weight is assigned to each indicator. This effectively means that the importance attached to an aspect of poverty is determined by the number of measures included. Moreover, while it might be argued that criticism concerning a lack of weighting is misplaced because no attempt is being made to provide a single cumulative poverty index, the emphasis given in the cut and thrust of political debate is likely to be determined by what measures are included and their number.

There are several reasons for not producing a single composite measure of poverty. Politically and administratively it may be judicious to ensure that responsibility for tackling aspects of the problem can be clearly allocated and audited. Technically, it is difficult to develop a composite measure, especially, as in the case of the Scoreboard, when data derives from multiple sources that necessarily relate to different individuals and sometimes to different populations. Composite measures may also be difficult to explain and to understand. However, these considerations have not prevented the development of complex indices for use in other areas of government policy such as, for example, price indices, measures of GDP and indices of area deprivation used to allocate resources. Rather these experiences have demonstrated the value a single measure, especially when it can be decomposed into its constituent elements: clarity; avoidance

of disputes as to the ‘most appropriate measure’; and costly redundancy of excessive numbers of measures. Furthermore, the Scoreboard may perpetuate the confusion between multiple dimensions of poverty and the multidimensionality of poverty. The former refers to the fact that income poverty and material deprivation (for example) may be related but are not identical, while the latter recognises the fact that people in poverty simultaneously suffer varying forms of deprivation that, in combination, define the kind of poverty that they are experiencing and the type of support that would be of greatest value to them.

Absolute or relative poverty

The core income-based measure of poverty is anchored in time, raising to prominence a measure that is merely included as contextual in the Laeken indicators. In most circumstances, progress towards a poverty target that is expressed as an ‘anchored in time’ measure is easier to achieve than when using a relative one; poverty numbers should fall simply as a bi-product of economic growth rather than requiring income redistributive measures. Indeed, a rational policy response to tracking an ‘anchored in time’ measure is to prioritise economic growth as a policy strategy rather a redistributive one. Moreover, it is at least arguable that an ‘anchored in time’ measure is the appropriate choice given that France has prioritised activation in its fight against poverty which, in turn, is dependent for its success on a buoyant economy and labour market. Relative measures, in contrast, set a moving target and may also create apparently perverse results, such as when economic growth is accompanied by increased inequality leading to a rise in the poverty rate despite increased purchasing power amongst those counted as being poor.

‘Anchored in time’ measures assume that people in poverty should not benefit from rising general living standards or be helped fully to participate in society. Over time, people defined as poor according to an ‘anchored in time’ measure are likely increasingly to be excluded from normal social activities as social values change and technology advances; for example, they will not be able to engage in such trends as eating out more or seeing films in 3D because no account is taken of new expenditures in the poverty threshold. Moreover, implicit in the measure is the notion that circumstances in the



year in which the poverty rate is anchored were, in some timeless sense, ideal and that the poverty threshold in that year was appropriate for all time. The counterargument is that the anchor year can always be updated but, whereas a relative measure is automatically updated, an absolute one requires the political will to do so. The United States demonstrates the great difficulty of renegotiating an anchored in time measure especially when policy measures and benefit levels are set in relation to the poverty threshold.

Poverty or inequality

Unlike the Laeken indicators which include the Gini coefficient and '80/20' income quintile ratio as measures of inequality, the French Scoreboard explicitly includes measures of relative poverty as inequality indices. Relative poverty measures, based on equivalised disposable income expressed as a percentage of the national median, do reflect income inequalities and comparison between the number of people with incomes falling between the 40, 50 and 60 per cent of the median provides insight into the dispersal of income at the bottom of the income distribution. However, such measures do not reliably reflect changes in incomes at the top of the distribution which often have important implications in setting social aspirations and determining the degree of social cohesion. This could be problematic since, as noted above, the relative poverty measures were included in the Scoreboard explicitly to ensure that reductions in poverty were achieved without increased inequality or reduced social cohesion. The Scoreboard will provide some evidence as to whether falls in poverty have been gained at the expense of other low income households but not whether richer households have contributed to the political goal of reducing poverty.

Targeting or distortion

The choice of indicators included in the Scoreboard reflects the outcome of government priorities and extensive consultations. Moreover, the content of the Scoreboard is still subject to development. However, as currently constituted, the Scoreboard prioritises income poverty over social exclusion, absolute over relative measures, deprivation over inequality and economic efficiency over social cohesion, emphasises that could limit the direct

transferability of the Scoreboard to other Member States with different policy agendas.

The Scoreboard is also shaped by a reliance on quantified indicators thereby downplaying the importance of those aspects of poverty and social exclusion that are more difficult to quantify. This not only increases the risk that these aspects of poverty will be overlooked, but also that certain of the cumulative positive benefits of tackling particular aspects of poverty might be missed, for example, reductions in stress resulting from increased income. Likewise, some negative trade-offs, such as the shame and humiliation often associated with highly targeted, income-related benefits, are likely to go unrecorded.

Such potential dangers can be exacerbated by setting targets since they are likely strongly to focus bureaucratic energies on measurable targets. They may also inadvertently direct attention to more easy to attain targets, perhaps, therefore, reinforcing the centrality of the 'anchored in time' measure over relative ones. Targets may also lead to creaming, helping those closest to the poverty threshold to move above it, while leaving those suffering the most severe poverty without comparable assistance. A further danger of targets is that they may cause policymakers to focus on short-term, rather than long-run, outcomes. For example, prioritising headcount poverty rates over measures of severity (poverty gap measures) can promote creaming which leads to the neglect of more difficult to help individuals. However, during the course of their lifetimes, people who are harder to help are likely to spend more time in poverty, thereby contributing disproportionately to high poverty rates over the longer term and to high levels of persistence and severity.

The Indicators Sub-Group of the European Union Social Protection Committee insists that indices should be responsive to policy interventions but not readily subject to manipulation. The same is true of targets. In addition, it is important that in responding to targets, policymakers should not lose sight of the strategic policy goals; this requires a judicious trade off between being focussed and being comprehensive.



Monitoring in real time or retrospectively

The Scoreboard is designed as a policy monitoring tool to be used in the context of implementing a strategy of active inclusion. It is intended to reveal whether the French government is on track to meet its poverty target and, some time later, to determine whether the target has been met. However, many items in the scoreboard are derived from information that is essentially historic on account of the time taken to collect, collate and interpret statistics. This is an issue that bedevils policy making across the European Union and therefore the six strategies being developed by French Government to generate more up to date information and that have been discussed above warrant especial attention. Particularly innovative among them is the panel of 1,000 field workers in direct contact with people experiencing poverty and social exclusion, the survey barometer of perceptions of personal financial circumstances, and the use of micro-simulation to model current policy outcomes rather than, as is more usual, future ones.

Monitoring or evaluation

While the Scoreboard should help policymakers to monitor changes in poverty, it is less well adapted to determining the extent to which the change observed is the result of implementing the policy of active inclusion. To improve the capacity of the Scoreboard in this respect would entail specifying the causal steps through which activation policies are anticipated to reduce the various dimensions of poverty and adding intermediate indicators that monitor the extent to which the steps in the causal chain have been achieved. The Scoreboard includes certain intermediate indicators consistent with the important role assigned to employment as a defence against poverty: in work poverty, jobless households and access to training. However, there are many other intermediate indicators that are omitted: unemployment rates, unemployment duration, benefit replacement rates, wage rates and wage dispersion, security of employment and job quality, employment retention and progression, labour market discrimination and childcare availability. Also, unlike in Ireland, the French Scoreboard does not include programme targets and associated indicators such as benefit levels.

National or local

The Scoreboard is composed of national indices but the active attempt to engage all levels of government in the Scoreboard raises the possibility of using local indicators to identify social problems, to allocate local resources, to monitor policy outcomes and, possibly, also to establish policy targets. The Peer Review learned that Lithuania implements a system analogous to the Open Method of Coordination in which a range of indicators are published for all municipalities with the intention of encouraging local politicians to compare policy outcomes with those of neighbouring municipalities. In the Netherlands, also, comparative data on municipalities is made publicly available on a website while, in Rotterdam, detailed information is available at the neighbourhood level based on registrations and survey data and used to identify need and to assist in the determination of resource allocation. An important challenge is how to secure an appropriate balance between tailoring measures to local circumstances and promoting standardisation and integration in order to facilitate the development of a coherent national picture that reveals telling regional and local differences in both needs and policy achievements.

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In summary, the fact that Scorecard so well reflects French policy priorities means that it is unlikely that other Member States would adopt it unaltered. While the 'anchored in time measure' might appear intuitive and find favour with politicians keen to achieve easy results, it marks a clear departure from the traditional European understanding of poverty, moving more towards a US model (Besharov and Couch, 2009). Likewise, other Member States may not favour the Scoreboard's emphasis on income poverty rather than social exclusion, economic efficiency rather than social cohesion and deprivation rather than inequality. But the Scoreboard does include measures of unmet care and health needs, financial exclusion and non-negotiable expenditure ('*Préengagées*') that are not among the Laeken indicators. Furthermore, the serious attempts being made to develop coordinated measures across different geographies and develop real time indices are pioneering and inspiring.



Part E: Issues in European Policymaking

The French Scoreboard is built upon the work of the Indicators Sub-Group of the European Union Social Protection Committee and stands as testimony to the benefits of European policy cooperation and peer review. Departures of the Scoreboard from the Laeken indicators are instructive. So, too, is the French work on regional indicators and real-time measures. Perhaps of most salience, however, for the European Year for Combating Poverty and Social Exclusion is the French decision to adopt targets to dynamise its fight against poverty.

It is evident that a number of Member States in the Peer Review have adapted the Laeken indicators for domestic policy making. Systematic analysis of Member States' departures from Laeken indicators could be instructive in terms of learning about national priorities and for fine-tuning the content and scope of the Laeken indicators themselves. The French Scoreboard abandons the Laeken differentiation between primary, secondary and contextual measures but prioritises indices of income poverty. It drops direct measures of income inequality but adds certain class based indices relating to service use and access and omits measures of long-term unemployment and the difference between the employment rates of immigrants and non-immigrants. Differences in the measures included, especially when not relating to specific service provision (for example, the measures of under-employment added to the Scoreboard) point to real policy enthusiasm for inclusion whereas differences in the measures excluded may suggest lower prioritisation or concerns about measurement, validity or reliability.

The fact that the Laeken indicators are neither context specific nor include measures relating to specific policy outputs, which is appropriate for international comparison, constrains the value of the indicators at Member State level. In particular, it means that the indicators cannot be used to evaluate policy or to test the implementation logic of national and local policies. Member States might be encouraged to add intermediate policy outcome measures to strengthen the domestic value of the Laeken indicators as policy evaluative tools and research at community level be

commissioned to append national policy descriptors to EU-SILC dataset to facilitate comparative policy evaluation.

Two methodological innovations being pursued as part of the French strategy have EU wide relevance and direct relevance to development of the Laeken indicators: vertical integration and enhancing data currency. For statistical data on poverty and social exclusion directly to inform policy choices rather than simply to chart past progress, important though that is, they need to be as current as possible. Data that underpin the Laeken indicators is often more than eighteen months old before they are released whereas economic indicators are frequently much more current. Recognising that salient economic and social changes are happening increasingly rapidly the French government is, as noted above, experimenting with new data sources and indicators that offer the potential for much quicker reporting. There is a European role for fostering such developments through identifying best practice, distilling generalised lessons and promoting technical and technological innovation.

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Likewise, there is a role for European action in promoting vertical integration of statistical series. The Laeken indicators were developed primarily for analysis at Member State level and may not necessarily be as appropriate or meaningful at regional or local level. Nevertheless, there are strong arguments, to which the French initiatives offer powerful testimony, for constructing statistical architectures that enable indices to be reproduced at different geographies, either cumulating local measures to produce national indicators or decomposing national measures to identify regional variation. This is particularly important in the fight against poverty because policies are frequently delivered at sub-national level, resources are often allocated to localities or targeted on particular areas, and because the personal experience of poverty is conditioned by local factors. There are enormous conceptual and technical challenges to developing geographical flexible statistical series but also great expertise available, most notably among those seeking to integrated administrative data and geographic information systems. Hence there is considerable potential for Member States to learn from each other and for this process to be facilitated by the European Commission.



Finally, the French experience speaks to ongoing European discussions about the relevance of determining national quantified objectives for combating poverty and social exclusion. Nicolas Sarkozy's presidential statement, reproduced above, makes the case for policy targets: they can increase policy ambition, stimulate public interest and build support for reform, introduce audit and accountability to inhibit policymakers choosing easier options, incentivise good administrative performance and promote the acceptance of responsibility. In a European context, they also strengthen the logic of accountability and peer review inherent in the OMC and increase the influence of civil society by enhancing public audit; representatives of both NGOs participating in the Peer Review were strongly in favour of setting quantified national targets (D'Addato 2009; Jones, 2009; EC 2009a).

There are, however, certain requirements that must be met if quantifiable targets are to bring the desired benefits. While they should be ambitious to stretch policymakers, they need also to be appropriate and attainable. What is appropriate and attainable depends on context. However, it is important that targets accurately reflect both the policy objectives and the priorities among them so that policy distortion is prevented and the scope for creaming and gaming is curtailed. What is attainable reflects the volume, quality and use of resources available and is therefore a matter of negotiation and decision. Such decisions should be informed, but not entirely constrained, by prior experience, policy logic and local institutions. Step changes of enormous proportions are unlikely to be attainable and certain policies cannot achieve particular results. However, the rationale for setting targets is to encourage change that makes it more likely that policy objectives will be reached. This may require a change of policy, the reorganisation of institutions and working practices and/or an alteration in the nature and level of funding.

In March 2010, the European Commission proposed adoption of a target to reduce the proportion of persons at risk of relative poverty by 25 per cent by 2020 (defined according to national thresholds set at 60 per cent of median disposable income) (EC, 2010). The expectation is that this EU target — one of five 'headline' policy targets — will be translated into national targets and trajectories that reflect the current situation of each Member State. This approach is fitting given the need for policymakers and electorates to take



ownership of targets if they are to be effective in encouraging reasonable risk taking and ensuring continuing audit. There is, though, an important role for discussion and peer learning when targets are set that captures experience of what is appropriate and attainable consistent with a level of ambition that seriously reflects the social costs and degree of personal suffering associated with poverty. It is important, too, that the metrics used when setting national targets are comparable across Europe so that the performance of Member States can be reliably compared in terms of distance travelled towards meeting their respective targets.



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Measuring the impact of active inclusion and other policies to combat poverty and social exclusion

Host country: **France**

Peer countries: **Belgium, Bulgaria, Ireland, Latvia, Lithuania, Luxembourg, Malta, Portugal, Romania, The Netherlands**

In 2007, the French authorities established a scoreboard to assess progress towards the national target of reducing poverty by one third by 2012.

While the central indicator in the scoreboard is the risk of poverty rate anchored at a moment in time (2006), a number of other indicators (18 main ones and 21 complementary) have been defined so as to cover all aspects of the fight against deprivation and social exclusion (from income, employment, housing and health, to financial exclusion, child poverty and education).

The combination of indicators – most of which can be monitored using official national sources – is intended to provide a clearer picture not only of the extent of access to basic services but also of the rate and intensity of poverty and of living conditions. It should also ensure that the pursuit of poverty-reducing goals do not impact negatively on social cohesion.

Partnerships with local communities have been set up to ensure indicators are also monitored at local level.

Although the scoreboard is still being refined, it should contribute to the evaluation of policies for combating poverty and social exclusion. With 2010 planned as the European Year for combating poverty, the Peer Review offers an opportunity to exchange good practices on monitoring active inclusion strategies.